

**ROOKS COUNTY CONSERVATION DISTRICT**  
**Stockton, Kansas**

**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**

**Year Ended December 31, 2012**

**MARY E. ANDERSON, CPA**  
**Certified Public Accountant**  
**Osborne, Kansas**

ROOKS COUNTY  
CONSERVATION DISTRICT

2012

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1 - 2
<u>Financial Statements</u>	
Statement of Financial Position	3
Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance	4
Supplemental Budgetary Comparisons	5-6
Notes to the Financial Statements	7

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Rooks County Conservation District  
Stockton, Kansas

We have audited the accompanying financial statements prepared on the statutory basis of accounting of Rooks County Conservation District as of and for the year ended December 31, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note A, Rooks County Conservation District has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.


In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Rooks County Conservation District as of December 31, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statements prepared on the statutory basis of accounting referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Rooks County Conservation District, as of December 31, 2012, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Rooks County Conservation District's basic financial statements. The schedule of expenditures compared with budget is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures compared with budget has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material, respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the use of the Board and management and the cognizant federal and state agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by Rooks County Conservation District is a matter of public record.

October 2, 2013



Mary E. Anderson  
Certified Public Accountant

ROOKS COUNTY CONSERVATION DISTRICT  
STATEMENT OF FINANCIAL POSITION  
For the Year Ended December 31, 2012

Assets:

Cash and Cash Equivalents	181,844
Accounts Receivable	<u>1,687</u>
Total Assets	<u>\$ 183,531</u>

Liabilities and Net Assets:

Payroll Taxes Payable	22
Sales Tax Payable	33
Fund Balance- Net Assets	<u>183,476</u>
Total Liabilities and Net Assets	<u>\$ 183,531</u>

See accountant's report.

ROOKS COUNTY CONSERVATION DISTRICT  
 Stockton, Kansas  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCE  
 For the Year Ended December 31, 2012

	General Operations Fund	Enterprise Fund	NPS Fund	Combined Total
Beginning Cash Balance, January, 2012	<u>\$ 4,930</u>	<u>\$ 138,469</u>	<u>\$ 1,238</u>	<u>\$ 144,637</u>
Cash Receipts:				
Appropriations - state	15,548	-	-	15,548
Appropriations - county	22,000	-	-	22,000
Planting, Equipment and Labor	-	-	-	-
Retail Sales-Trees and Seed	-	257,438	-	257,438
Sales Tax	-	55	-	55
Education Grant	1,000	-	-	1,000
Charges for services:				
Tilling & planting	-	93,815	-	93,815
Interest Income	-	634	-	634
Transfer from Enterprise Fund	16,000	-	-	16,000
Transfer from NPS Fund	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total Total Cash Receipts	<u>55,548</u>	<u>351,942</u>	<u>-</u>	<u>407,490</u>
Total Available Cash	<u>60,478</u>	<u>490,411</u>	<u>1,238</u>	<u>552,127</u>
Cash Disbursements:				
Salaries and payroll taxes	38,139	-	-	38,139
Employee Benefits	10,924	-	-	10,924
Travel	1,174	-	-	1,174
Supervisor's travel	2,904	-	-	2,904
Dues	979	13	-	992
Professional Fees	656	-	-	656
Annual Meeting	623	-	-	623
Education	1,115	-	-	1,115
Sales Tax	-	-	-	-
Other administrative expense	1,671	25	-	1,696
Office	752	114	-	866
Repairs and maintenance	-	421	-	421
Trees, barrier, seeds-cost of sales	-	221,712	-	221,712
Drilling, tilling and planting	-	71,896	-	71,896
Equipment purchases	-	165	-	165
Transfer	<u>-</u>	<u>16,000</u>	<u>1,000</u>	<u>17,000</u>
Total Cash Disbursements	<u>58,937</u>	<u>310,346</u>	<u>1,000</u>	<u>370,283</u>
Ending Cash Balance, December 31, 2012	1,541	180,065	238	181,844
Accounts Receivable		1,687		1,687
Outstanding Encumbrances and				
Accounts Payable, December, 31, 2012	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>(55)</u>
Ending Unencumbered Cash Balance, December 31, 2012	<u>\$ 1,541</u>	<u>\$ 181,697</u>	<u>\$ 238</u>	<u>\$ 183,476</u>

See accountant's report.

ROOKS COUNTY CONSERVATION DISTRICT  
 Stockton, Kansas  
 BUDGET COMPARISON OF CASH RECEIPTS AND CASH DISBURSEMENTS-OPERATIONS FUND  
 For the Year Ended December 31, 2012  
 (with Comparative Actual Totals for prior Year Ended December 31, 2011)

	Prior Year Actual	Current Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Appropriations - state	\$ 27,416	\$ 15,548	\$ 21,682	\$ (6,134)
Appropriations - county	22,000	22,000	22,000	-
Kansas buffer allocation	-	-	-	-
Reimbursements and other income	107	1,000	-	1,000
Transfer from Enterprise Fund	10,000	16,000	10,000	6,000
Transfer from NPS Fund	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Cash Receipts	<u>59,523</u>	<u>55,548</u>	<u>\$ 53,682</u>	<u>1,866</u>
Cash Disbursements:				
Salaries and payroll taxes	36,114	38,139	36,000	(2,139)
Employee benefits	10,615	10,924	10,850	(74)
Travel	1,106	1,174	1,300	126
Supervisors travel	2,213	2,904	1,200	(1,704)
Dues and fees	525	979	1,525	546
Annual meeting	775	623	800	177
Education	1,148	1,115	3,000	1,885
Other administrative expenses	2,580	2,327	1,700	(627)
Equipment & building maintenance	-	-	150	150
Office expense	695	752	-	(752)
Journal correction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Disbursements	<u>55,771</u>	<u>58,937</u>	<u>\$ 56,525</u>	<u>(2,412)</u>
Cash Balance Over (Under), End of Year	3,752	(3,389)		
Cash Carry Forward, Beginning of Year	<u>1,178</u>	<u>4,930</u>		
Cash Balance, End of Year	<u>\$ 4,930</u>	<u>\$ 1,541</u>		

See accountant's report.

ROOKS COUNTY CONSERVATION DISTRICT  
 Stockton, Kansas  
 BUDGET COMPARISON OF CASH RECEIPTS AND CASH DISBURSEMENTS  
 ENTERPRISE AND NPS FUNDS  
 For the Year Ended December 31, 2012  
 (with Comparative Actual Totals for prior Year Ended December 31, 2011)

	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
State NPS	\$ -	\$ -	\$ -	\$ -
Sales and services	-	-	-	-
Flags, trees, seed, barrier, etc.	306,644	351,253	96,000	255,253
Equipment	195,823	-	-	-
Interest Income	909	634	1,000	(366)
Sales tax	59	55	50	5
Transfer from NPS fund	-	-	-	-
Total Cash Receipts	<u>\$ 503,435</u>	<u>\$ 351,942</u>	<u>\$ 97,050</u>	<u>\$ 254,892</u>
Cash Disbursements:				
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Administrative	695	13	100	87
Education	180	-	-	-
Repairs & maintenance	7,177	421	-	(421)
Office	88	114	-	(114)
Sales tax	48	-	50	50
Goods for resale and contract labor	471,519	293,633	77,000	(216,633)
Equipment purchases	42,500	165	1,000	835
Transfer to Operations	<u>10,000</u>	<u>17,000</u>	<u>10,000</u>	<u>(7,000)</u>
Total Cash Disbursements	<u>\$ 532,207</u>	<u>\$ 311,346</u>	<u>\$ 88,150</u>	<u>\$ (223,196)</u>
Cash Balance Over (Under), End of Year	(28,772)	40,596		
Cash Carry Forward, Beginning of Year	<u>168,479</u>	<u>139,707</u>		
Cash Balance, End of Year	<u>\$ 139,707</u>	<u>\$ 180,303</u>		

See accountant's report.



ROOKS COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

1. Financial Reporting Entity

The District is a Kansas quasi-municipal corporation organized under the provisions of K.S.A. 75-1122 and K.S.A. 2-1907. It is governed by an elected five-member board.

2. Basis of Presentation - Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended December 31, 2012:

General Fund - reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

Enterprise Fund - to account for the revenue and expenditures specifically allocable to the activities of the District.

3. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased.

Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For interfund transactions, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

ROOKS COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

5. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

6. Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

7. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

8. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

9. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ROOKS COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Defined Benefit Pension Plan

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefits pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The District is required to contribute the statutory required employers share which was \$2,892 for 2012.

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2012 the District's carrying amount of deposits, including certificates of deposit, was \$181,844. The bank balance was covered by FDIC insurance and pledged securities.

NOTE C - RISK MANAGEMENT CLAIMS AND JUDGMENTS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss, including property, general liability, workmen's compensation, automobile, and surety bond coverage. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At December 31, 2012 the financial statements do not include liabilities for anticipated costs.